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# FOREIGN

DECEMBER  
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## AGRICULTURE



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Our Farm Export Outlook  
Europe's 41 Million Hogs  
Overseas Agricultural Research  
Silk Troubles in Japan



UNITED STATES DEPARTMENT OF AGRICULTURE • FOREIGN AGRICULTURAL SERVICE



# FOREIGN

## AGRICULTURE

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To report and interpret world  
agricultural developments.



### Europe's Hogs And U.S. Lard

There's a closer relationship than may at first be apparent between the lead article in this issue, "Our Farm Export Outlook," and the second article, "Europe's 41 Million Hogs."

Lard is one of the important exports of U.S. agriculture. In calendar year 1957, we exported about 400 million pounds of lard, valued at \$55 million. This represented 16 percent of U.S. lard production. Success in maintaining future exports of lard will depend to an important extent on competition encountered in world markets.

Europe's production of hogs and lard, as pointed out in our article, has been rising. Similarly, because of abundant feed and favorable prices, U.S. hog numbers appear to be increasing. It is expected that additional U.S. lard will be available for export late in 1959.

Competition such as that from Europe's hog industry is something to be watched. It will be an important key to the success of the U.S. industry in exporting its expected additional supplies of lard in the period ahead.

### Cover Photo

Today all over Western Europe one sees busy markets like this one in Hamburg, Germany. According to our article on the opposite page, the gold and dollar assets of the industrialized countries of the world reached an alltime high this year. (Photo by Phil S. Eckert.)

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## OUR FARM EXPORT

# OUTLOOK

**I**N SOME YEARS, world events determine to a large extent the amount of farm products the United States exports. This does not appear to be such a year. Today the most pronounced single influence on our agricultural exports is the competition we face from foreign agricultural production, now at a high level and continuing to expand.

Many of us wondered whether the recent recession in the United States would spread to other countries sufficiently to slow down our agricultural exports. Apparently this has not happened. In the industrialized countries that form the best markets for our farm products economic conditions have remained reasonably good.

We tried to appraise the effect of the unsettled world political situation on our agricultural exports. The Korean conflict caused considerable scare buying and resulted in larger agricultural exports 7 years ago. Somewhat the same thing happened, though on a smaller scale, during the Suez Canal crisis 2 years ago. Today we have the Formosa Straits situation, as well as unrest throughout the Middle East. And a major effort is being made by the Communist Bloc to use trade as an economic weapon in strengthening ties with many of the lesser developed countries. Yet there is little evidence that importing countries are worried by these developments to the point of building up emergency stockpiles.

As a result then, not so much of the world economic and political situa-

By **MAX MYERS**  
Administrator  
Foreign Agricultural Service

tion as of stronger competition from foreign producers, we foresee a small decline in this 1959 fiscal year in U.S. agricultural exports. They should total about \$3.8 billion. While this is somewhat under the \$4 billion of last year, it would still place fiscal year 1959 among the big 6 export years in our agricultural history. A total of \$3.8 billion certainly could be called a good export year. When added to the previous 2 years, it gives us a 3-year average of nearly \$4.2 billion, the highest 3 years in our export history. It means that of our total cropland we are exporting the output of about 1 acre out of every 6.

One word of caution may be in order: we prognosticators don't control what actually happens. World agricultural trade these days is greatly affected by actions taken by governments. There is always the chance that foreign governments will become more restrictive, or become more liberal, in their import policies. Also, we in the U.S. Government are going to be alert and aggressive in pursuing every export possibility.

Among the enigmas of today's world are the political-economic intentions of the Soviet Bloc. For example, Soviet Russia has been dumping flax on the European market for the past 2 years and this has hurt the European flax industry. With a better crop this year, the Soviet Union could sell wheat on the world market. Communist China apparently has the

wherewithal to export a good volume of rice and soybeans. Such actions will depend on the political and economic advantages to be gained, and our agricultural trade would feel the impact.

### Foreign Production

All indications point toward stronger competition in the world market for the major commodities that we export, because of general increases in production. World cotton production this year is not far under the record-breaking 43-million-bale crop of 1955-56. Not only is the United States growing more cotton than last season but so are Egypt, Sudan, Mexico, Uganda, the Soviet Union, Communist China, and a number of other countries.

On the food side too world production is expected to reach a new high this year. Growing conditions have been favorable in the United States and in many other parts of the world. Foreign production of wheat, rice, sugar, soybeans, and cottonseed is now forecast at record levels. Foreign production of feed grains, deciduous fruits, and citrus is up from last year. Most livestock products are also expected to show some increase.

A substantial part of the increase in foreign crop production occurred in the Soviet Union and Mainland China. The Soviet Union should have more wheat for export to non-Communist countries as well as to Eastern Europe, and Mainland China could increase exports of rice and possibly soybeans.

Among the wheat-exporting countries, Australia will have much more wheat for export this year than last, when drought sharply reduced the crop. Though the 1958 Canadian crop is currently estimated at about the same level as in 1957, Canada still has large wheat stocks on hand. Prospects for an increase in the Argentine harvest are uncertain. In France, heavy rains at harvesttime reduced the wheat crop both in quality and quantity.

With the French wheat crop down and a lower-than-average-quality harvest in the British Isles, Western Europe will need to import more wheat. But because an unusually large proportion of the wheat crop is suited only for feed, the need for imported

This article is based on Dr. Myers' talk at the 36th Annual National Outlook Conference, November 18, 1958, U.S. Department of Agriculture, Washington, D.C.



feed grain may be less. Recovery of the West European fruit crop will reduce fruit import requirements.

In the Far East, the other major food-importing region, most countries expect a better rice crop this year than last. Prospective increases in rice more than offset decreases in wheat. Nevertheless, wheat imports are expected to reach or exceed last year's level. Western Asia, normally a grain-exporting region, has had a poor crop and will be a net importer of wheat this year. Food production is up in Northern Africa and in Mexico and most Central American countries. In most Southern Hemisphere countries, growing conditions so far this season appear to have been reasonably good.

### Foreign Buying Power

Our agricultural exports are paid for in two ways: under our special government programs and outside of such programs—i.e., through commercial sales for dollars. Last year, our agricultural exports outside of the special programs totaled \$2.8 billion, which was 70 percent of the export total.

It is pretty obvious that the more American agriculture can export independently of government programs, the stronger its position. Government programs, such as Public Law 480, are performing an extremely timely function. Although useful, they cannot themselves be relied upon as solutions to our surplus production problem.

To be successful in export selling, we not only need to have products that are competitive in quality and price but we need foreign customers who can pay for our commodities. Their ability to buy U.S. products is measured by their gold and dollar holdings. By June 30, 1958, the gold and dollar assets of foreign countries had reached an all-time high of \$31.5 billion, a gain of \$1.7 billion over last year. Most of these increased assets accrued to the industrialized countries of Western Europe, Canada, and Japan, and this should tend to encourage further relaxation of some trade restrictions against U.S. farm products.

It's a different story for the rest of the world, most of which is experiencing balance of payments difficulties and declining gold and dollar reserves.

	1956-57	1957-58	1958-59 <sup>1</sup>
	Mil. dol.	Mil. dol.	Mil. dol.
Cotton .....	1,116	841	640
Grain and feeds <sup>2</sup> .....	1,608	1,317	1,410
Wheat and flour .....	958	742	760
Feed grains <sup>2</sup> .....	365	431	430
Rice, milled <sup>2</sup> .....	190	98	150
Tobacco, unmanufactured .....	340	343	335
Vegetable oils and seeds <sup>2</sup> .....	457	413	430
Fruits and vegetables <sup>2</sup> .....	368	383	360
Animals and products <sup>2</sup> .....	704	585	500
Other <sup>2</sup> .....	135	120	125
Total .....	4,728	4,002	3,800

<sup>1</sup> Estimated.

<sup>2</sup> Includes donations.

In the newly developing countries where exports of primary commodities constitute the bulk of exchange earnings, the decline reflects lower export commodity prices and also internal inflationary pressures. The exchange position of many of these countries is precarious, so that restrictions on commercial marketings of U.S. farm products will continue to be encountered.

Because of the many countries that are having payments problems, we anticipate some increase—perhaps \$100 million—in the farm products exported under government programs. The expected \$3.8 billion total export figure would then break down for this fiscal year into \$1.3 billion exported under government programs, \$2.5 billion exported through commercial sales outside of government programs. In other words, 66 percent of our agricultural exports would be outside of government programs, which is only a 4-point decline from last year.

### Our Exports

Smaller exports of cotton will account for the bulk of the decline that we may expect. Also, we can count on smaller exports of animal products (primarily dairy products), fruits, and tobacco. There may be some increase in exports of wheat, rice, vegetable oils, and oilseeds but not enough to make up for the drop in the others.

By commodities, the picture appears to be like this for fiscal year 1959:

**Cotton.**—For the marketing year ending July 31, 1959, our cotton shipments are expected to total about 4.0 million running bales, compared with 5.7 million bales last season. Weakened foreign demand for textiles and increased foreign supply of cotton are the major factors that are expected to bring about the decrease.

Present indications are that consumption of cotton in the foreign Free World in 1958-59, estimated at about 20 million bales, will be slightly smaller than in 1957-58 but about 1.0 million below the high level of 1956-57. At the same time, the total foreign supply of cotton in 1958-59 will be significantly larger than a year ago. Stocks in foreign exporting countries were larger at the beginning of the season and foreign production has increased. Further, world production is likely to exceed offtake for the first time in 3 years, perhaps by as much as 1.0 million bales.

**Grains and Feeds.**—Exports of wheat are forecast to reach at least 430 million bushels, 30 million bushels above last year. This improvement over last year can be attributed to some increase in exports under government programs as well as to crop reverses in some areas of the world. A new Public Law 480, Title I agreement signed with India in September included more than 100 million bushels of wheat. Also, Western Europe will import additional high-quality wheat to replace wheat damaged by adverse weather during harvest. To a lesser degree, normal increases in requirements in many traditional markets will also play a part in increasing exports of both wheat and flour.

Exports of feed grains in the first quarter tend to indicate heavy volume supplies in Europe may adversely affect import demand in that area during the remainder of this year. For this reason exports this season may be little changed from 1957-58.

Rice exports for the fiscal year are estimated at 18.9 million bags, milled basis, an increase of more than 7 million bags above last year.

**Tobacco.**—Exports of unmanufactured tobacco are expected to total about 445 million pounds, export weight. This would represent a decline of 6 percent from last year, a drop of 11 percent from the previous year.

Supplies of competitive tobaccos are larger and are available for export at prices lower than for similar U.S. tobaccos. However, the decline in tobacco exports could be favorably affected by such things as: (1) the

(Continued on page 23)

# Europe's 41 Million Hogs

—a new surplus  
that's affecting trade  
in livestock products

By JOHN RAY  
Meat and Livestock Division  
Foreign Agricultural Service

WESTERN EUROPE is the United States' most important export market for livestock products. Every year large shipments of lard, tallow, hides and skins, and variety meats to this area net important dollar earnings to U. S. farmers and exporters. But conditions in this market have changed considerably since the days of postwar shortages. So well have European farmers been rewarded for their efforts to produce more food that they are now being confronted by that other side of modern agriculture—long familiar to Americans—overabundance.

Hog production is a case in point. After the last war, Europe found itself short of most necessities and almost all luxuries. To improve both the quantity

and the quality of the diet, European governments encouraged meat production by all means at their disposal—consumer and producer subsidies, technical aid, special loans, guaranteed prices, marketing controls. And they needed to conserve scarce foreign exchange for imports which could not be produced at home.

## Prolific Figs

Hogs, with their rapid rate of growth, their economical conversion of feed to meat, and their fertility, were fundamental to this effort. From a 1946-50 average of 34.5 million, Western European hog numbers rose sharply to 56.4 million in 1957, bringing the total to 19 percent above the pre-

war average, and to 64 percent above the immediate postwar average. During this same period, Eastern European hog numbers rose from about 24.8 million in 1946-50 to 41.2 million in 1957.

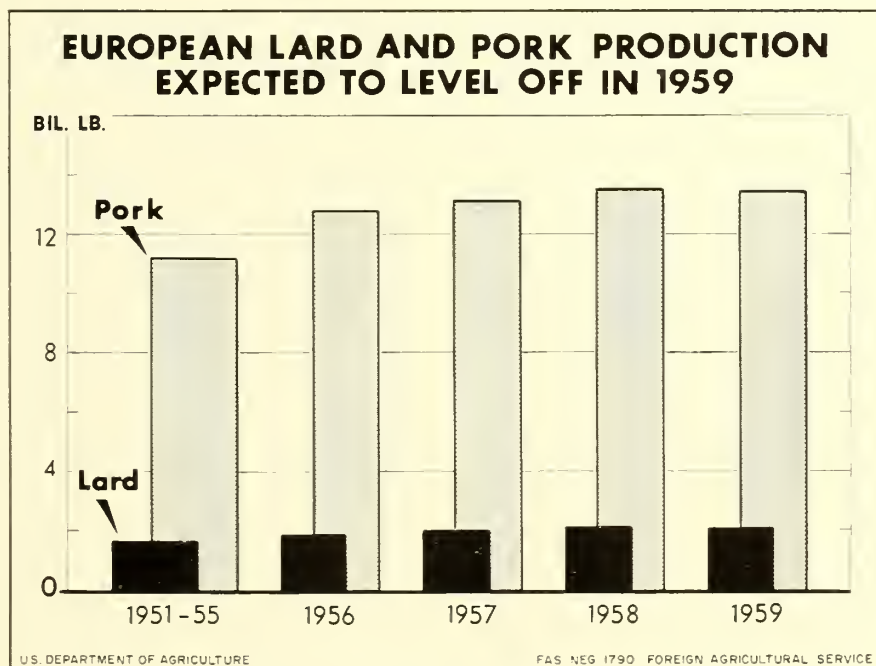
Hard work and modern methods of hog raising had combined to bring about the desired result. By 1957, Western European pork production was 13.1 billion pounds, 87 percent above the 1946-50 average. Lard production, at 2.0 billion pounds, had risen 78 percent.

These figures show an amazing accomplishment. But the blessings were not unmixed. With an abundance of domestically produced pork and lard, plus large imports from Eastern Europe and the United States, the hog market was seriously threatened.

Net pork-and-lard-importing countries, such as Western Germany, restricted imports to protect their hog industries. In other markets, such as the United Kingdom, where imports were not restricted by government action, low pork and lard prices reduced the earnings of Dutch and Danish exporters. Throughout Western Europe, farmers were urged to turn from hog to cattle raising. To support sagging domestic hog prices, some countries resorted to export subsidies, while others set up minimum price plans or stockpiled pork and lard.

The situation, however, did not improve in 1958. A good feed-grain harvest and relatively high hog prices in 1957 had encouraged farmers to in-

*(Continued on page 14)*







# An Overseas Program

## of Agricultural Research

U.S. forests like this one, here being sprayed for gypsy moth, will gain from forestry studies done abroad under a research program financed by P.L. 480.

FOREIGN SCIENTISTS will work in the interest of American farmers, as well as for the agriculture of their own countries, through a recently announced program of foreign research to be directed by the U.S. Department of Agriculture.

Benefits from the new program may include expanded markets for U.S. farm output, new uses for agricultural products, new crops from which all people will profit, greater ability to ward off disease and insect infestations from crops and livestock, and more productive forests.

Payment for the research will be made in the form of both grants and contracts. The money will come out of foreign currencies accruing from the sale of surplus farm commodities under the Agricultural Trade Development and Assistance Act of 1954 (generally referred to as Public Law 480).

The research will be done at foreign scientific institutions in four general fields—marketing, utilization of farm products, farm production, and forestry. For the utilization studies, some work has actually started. The farm, forestry, and marketing research programs are only in the planning stage.

Three survey teams from the Agricultural Research Service (under which the new program will be operated) are to go abroad to evaluate the potential

of foreign scientists and their facilities. Many governments have already expressed interest in having their scientists do such research. One team is now in Europe and the Middle East, the second is in the far East, and the third will be going to South America. Other USDA agencies participating include the Forest Service and the Agricultural Marketing Service.

Already, funds amounting to the equivalent of \$6,650,000 for utilization research have been allocated for use in the United Kingdom, Finland, Italy, and Israel. The utilization program is expected to extend to other countries. In addition, the equivalent of \$3,900,000 has been allocated for farm, forestry, and marketing research in Poland, Indonesia, Pakistan, Finland, Yugoslavia, India, Israel, and Chile; and this list of countries may well be expanded later. Surveys in Europe and Asia are expected to be finished by late 1958, and the Latin American survey by the spring of 1959.

This new program will include both basic and applied research, but the stress will be on fundamental studies because foreign scientists have made some of their most noteworthy contributions in that area. Several considerations will guide the selection of research projects. First, of course, P.L. 480 funds must be available in the

country concerned. Second, the results of the work should help to develop new markets both in that country and in the United States. In some foreign institutions, there may be special knowledge or techniques available which would help solve a problem more quickly than it could be solved in the United States. Also, contacts between science and industry in a given country might help in bridging the gap between research accomplishment and actual expansion of commodity markets.

Now as to specific kinds of research:

- The marketing research program will provide a chance to learn more about the objective evaluation of commodity quality, as well as about improving the maintenance of stored commodities. Such knowledge would apply to agricultural products both in the United States and abroad.

Scientists will seek new knowledge of the biochemical changes that take place in the maturing of commodities, and study the basic biochemistry and physiology of fruits, vegetables, and cereals. They will aim to establish methods of measuring quality in mature fruits and vegetables. They will study the development of market diseases peculiar to given countries and work out methods for their control. They will observe marketing insects



**USDA chose DR. G. E. HILBERT,  
assistant administrator,  
Agricultural Research Service,  
to head the new program.  
Here he explains what USDA hopes  
to do for U. S. agriculture  
by working with experts overseas.**



Khapra beetle, menace to stored grain, could be studied abroad under program. Above, warehouses draped for fumigation. Inset, larvae on corn kernel.

like the khapra beetle in their natural habitat and plan methods of fighting them.

- Research possibilities on the utilization of U.S. farm surplus commodities are illustrated by some research grants recently awarded to British organizations. Two of the grants went to the Shirley Institute of the British Cotton Industry Research Institution at Manchester for basic studies of cotton: one to find the causes of warp breakage in the weaving of cotton yarns, and the other to investigate the microbiological breakdown of natural cotton fiber.

Four other British grants went to the Scientific Adviser's Division of the British Ministry of Agriculture for food preservation studies. The British scientists in these studies will (1) seek to explain how sulfur dioxide acts to control non-enzymatic browning in dehydrated vegetables, (2) investigate the changes that occur in meat fibers being dehydrated by the accelerated freeze-drying process, (3) try to develop new stabilizers for processed meat, dairy, and vegetable products, and (4) analyze the chemical changes in carotenoid pigments during the processing and storage of certain vegetables.

in the utilization program include development of new or expanded uses for cereals (especially wheat and corn), wool, fruits, vegetables, oilseeds, and such special crops as cane and beet sugars and tobacco.

- In farm research, studies can be made of the virus diseases afflicting the livestock of Europe and Asia, so that U. S. disease control and eradication officials would be able to combat successfully any outbreaks of such diseases that might occur in this country. Similar work can be done on some species of nematodes, certain plant virus strains, and certain races of rust, as a hedge against future U.S. outbreaks of these pests.

Certain insects which attack weeds could be studied abroad, in the hope of finding some species that might be safely used in the United States to control undesirable plants. In the same manner, foreign insect pests, likely to gain a foothold in the United States as fast travel among nations continues to increase, can be studied in their natural habitats to learn possible ways of controlling them.

Other kinds of farm research regarded as good possibilities for the foreign program included studies of



Cotton chemistry studies, under way in Britain as part of program, will help find expanded outlets for U.S. cotton.

*(Continued on page 17)*





Feeding mulberry leaves to silkworms. Growing worms eat ravenously day and night. Below, revolving mounts, with separate cocoon in each compartment.



# SILK TROUBLES IN JAPAN

**J**APAN'S SILK industry, which dates back to the 2nd century and for many years was the country's leading source of foreign exchange, is in a critical position today. It is burdened with more silk than the world wants. And many who deal in silk question whether the Japanese Government will be successful in its determined efforts to keep prices from falling below support levels. Silk, unlike many commodities beset with surpluses, is a luxury item. People need wheat and cotton and cooking oils but they can get along without silk. Thus a period of recession causes silk stocks to pile up unsold.

Prior to World War II, Japan produced 80 percent of the world's silk and earned, in peak years, around \$500 million from the export of raw silk and silk fabrics. Of Japan's exports, silk accounted for approximately 35 percent of total value. Today the picture is quite different. In 1957, silk brought in slightly over \$90 million, and its share of Japan's exports was around 3.2 percent.

Responsible for this drop are the man-made fibers, principally nylon. After the war these swept the textile markets so completely that the volume of raw silk sales fell to half of prewar. The hardest blow was the sharp decline in shipments to the United States. Though the United States is still taking more than 70 percent of Japan's raw silk exports, the substitution of nylon for silk in hosiery and lingerie captured 90 percent of U.S. raw silk consumption; and this alone left Japan with approximately \$60 million less in income a year.

## Postwar Recovery

Despite this competition from synthetic fibers, the Japanese silk industry has done well in the last decade. Acre-

**Fear that government will not maintain cocoon prices causes farmers to stage strike in front of the Agriculture - Forestry Ministry, Tokyo.**

age, drastically reduced during the war when the mulberry fields were converted to food crops, has increased gradually. Though the number of Japanese farms engaged in sericulture is small compared with prewar, the yield of mulberry leaves has more than doubled in the past 10 years. And as the world recovered from the war and prosperity returned, particularly to Western Europe, people began buying silk again. Both 1956 and 1957 set postwar records in silk sales.

But apparently the odds were too great. Raw silk prices started declining at the end of 1957 and the silk industry faced 1958 with apprehension. With worsening business conditions in Japan and the United States, exports, prices, and earnings were expected to follow a downward trend. The continuation of Japan's tight money policy, overproduction in other branches of the textile industry, and the threat of U.S. restrictions on silk fabrics also clouded the outlook. To avoid overproduction Japan's weavers' association scheduled a 20-percent cut in output of fabrics for the first half of the year. The only bright spot was the increase in raw silk sales to Western Europe, which was balancing a decline in sales to the United States.

The Japanese Government, however, was not quite so pessimistic. It drew up a 5-year plan for expanding silk production, increasing home consumption, and raising exports some 30 percent. In the meantime, the government continued its policy of stabilizing the price of cocoons and raw silk. From January of this year through May, the price of raw silk stayed at the support level of 190,000 yen a bale. But by the end of May the government's holdings of raw silk were almost 47,000 bales and the authorized funds for support were almost exhausted. By June both foreign and domestic buyers had become increasingly nervous, and the market price dropped to 165,000 yen and then to 160,000.



The Japanese Government abandoned—at least temporarily—its proposed 5-year plan to expand production and exports and in July ordered a 20-percent cut in summer and autumn cocoon production. At the same time, it passed a special law enabling the Japan Raw Silk Export Custody Company (a quasi-government-financed organization) to spend up to 15 billion yen to buy and hold 75,000 bales, in terms of raw silk equivalent, of raw silk and dried cocoons.

### Reaction to Program

This move was believed to be sufficient to maintain the raw silk price at 190,000 yen per bale, and the dried cocoon price at 1,400 yen per ken (approximately 8.2 pounds). But by late September the spot price of raw silk had fallen off to 189,000 yen on the Yokohama market, and the futures price for delivery in January 1959 was quoted at 153,000 yen. Rumors circulated that the government was planning to cut support prices still further, thereby causing demonstrations by silk farmers. The Yokohama branch of the Japan Raw Silk Exporters Association claimed that the government's unstable price support policy had caused a substantial decline in exports. From January to September of this year, they said, exports had amounted to only 38,000 bales, a 45-percent shrinkage from the corresponding period in 1957.

There has been other criticism too. Adding another 75,000 bales to what the government already holds means that a total of nearly 125,000 bales will be carried over to next year. This is equivalent to about 40 percent of total production, and some Japanese economists are wondering what the government intends doing with this huge stockpile. It has even been pointed out that the existence of this large surplus created to stabilize prices may, ironically enough, have a depressing effect on the silk market.

The proposed 20-percent cut in cocoon production also presents problems. Both Fukushima and Miyagi Prefectures are in the middle of a 5-year program for boosting cocoon production; and some of the local governments in northern and central Japan are encouraging increased output. Then too, silk production in Japan is



Automatic machine combines several threads of raw silk and reels them onto frame. Right, bundling skeins of raw silk into books for baling.



traditionally a family occupation, with 800,000 farm families counting on it for part of their income. In some villages this runs as high as 60 to 70 percent. So the question has been asked—what effect might a 20-percent cut in production have in these areas and can it be carried out without adequate planning for a changeover to some other crop?

Obviously the crux of the trouble is price. Both rayon and cotton sell for considerably less than silk. If the 1950 figure is taken as 100, the price of rayon is now 71, cotton 38, and silk 124. This disparity has led to the suggestion that the basic solution to the problem would be to cut the price of silk and make a bold bid for greater consumption. This, the Japanese Government, despite rumors to the contrary, is reluctant to do, preferring to maintain silk prices at a high level.

### The Luxury Fiber

One thing is certain—that silk, though it may cease to be an important money-earner for Japan, will not disappear from the market. As a fiber it is unique. Compared with other fibers,



Above, sealing the bales of raw silk that have been tested and graded for quality. Right, loading bales in silk room built on upper deck of freighter.



both natural and synthetic, silk is more complicated in its molecular composition and configuration. Thus it has properties no other fiber has—at least to the degree of silk. It lends itself to many types of fabrics, is lightweight, crease-resistant, takes dyes well, and possesses a true luster and beauty. From the earliest time, silk has been called the “queen of fabrics,” and its use has always been synonymous with quality.

This is as true now as it was in days of Marco Polo. In high fashion circles, where the cost of the fiber is secondary, silk is firmly entrenched. But few industries can profit from so limited an outlet, and fortunately for the silk growers of the world, this is not necessary. One of the major uses of silk today is in blends composed of approximately 30 percent silk. Blends with linen, and especially with cotton and wool, are making the qualities of this luxury fiber available to middle-class budgets.

Japan's position as the world's leading producer of silk also remains unchallenged. Though the silkworm was introduced into Japan from China, Japan's output is far ahead, both in quantity and quality, of Communist China's. Concern that its Communist neighbor, anxious to expand its international trade, might prove a serious competitor was allayed by a recent Japanese silk mission to China. On its return, the mission reported that Chinese techniques were some 30 years behind the times and that mulberry production is averaging only about 40 percent of the Japanese output per acre.

So while the Japanese silk industry is in trouble now, the future is not entirely pessimistic. Those who have followed the situation closely are convinced that the Japanese Government, the producers, weavers, and other members of the industry will find an answer, and that this answer may lie in lowering prices to more realistic levels and in boosting consumption through blending with other fibers.

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After this article went to press, the Japanese Cabinet approved proposals to remove 3 million kam of cocoons from the market, to convert mulberry production to other crops, and to continue present price stabilization.

## Latin American Producers Act As World Coffee Stocks Mount

For the second consecutive year, coffee producers have banded together in an effort to stabilize the world coffee market, which has been thrown out of balance by continued bountiful harvests. This fall, 15 Latin American countries agreed to limit coffee exports for the period October 1958-September 1959. The original agreement, which set an export quota for November 1957 through June 1958, was signed by 7 countries—Brazil, Colombia, Costa Rica, Guatemala, El Salvador, Mexico, and Nicaragua. Joining them this year are Cuba, the Dominican Republic, Ecuador, Haiti, Honduras, Panama, Peru, and Venezuela.

In addition, Belgium and Portugal are volunteering aid to the program by setting export quotas on green coffee shipped from their African colonies to the world market.

The signatory countries will limit their coffee exports through retention quotas, meaning they will hold a certain percentage of exportable coffee in reserve. The reserve quota is set for each country—except Brazil and Colombia—at 5 percent of the exportable coffee produced up to 300,000 60-kilo bags, and at 10 percent of any exportable coffee in excess of this amount. Brazil will have a reserve quota of 40 percent and Colombia, 15 percent. Through this retention system about 12 million bags of coffee will be withheld from the market.

The coffee allocated to the annual reserve quotas may be used in any of four ways, upon authorization by the Board of Directors.

- It may cover any increase in local consumption in producing countries or areas.
- It may be used to open new coffee markets.
- It may supplement any country's production shortages originating from natural causes that have reduced its exportable production to a level lower than the average annual exports of the 3 preceding years.
- It may be placed on the interna-

tional market when demand exceeds estimates, but each country must sell a share proportionate to its participation in overall exports of the preceding season.

This agreement grew out of an International Coffee Study Group, which met first in June 1958 and was formed by the coffee industry. The industry realized that production will probably continue to outstrip needs for the next few years. For, despite measures taken under last year's agreement, oversupply threatened and prices had dropped. New York spot prices declined by about 20 percent during the year of the agreement. At the same time, U.S. wholesale and retail prices slipped downward. A similar situation prevailed in most of the other importing countries.

World stocks rose by about 5 million bags in 1957-58, whereas total exports were slightly less than those of the preceding year. Manufacturers and importers, aware of the large 1957-58 crop, decreased their inventories in anticipation of price declines. Stocks of green coffee in the United States alone at the end of September were 800,000 bags less than a year earlier.

For the 1958-59 season, world coffee demand outside of producing countries is expected to be about 38 million bags. By the end of the season, carryover is expected to reach 35 million bags—equal to nearly a year's coffee supply for the export market.

The effect of this giant surplus will be to hone competition to a fine edge. Producers and manufacturers will concentrate on more efficient marketing of better quality coffee. Importers will increase the selectivity of their purchases and exporters will offer them a better grade product. Producing countries will launch campaigns to stimulate coffee consumption both at home and abroad. The entire coffee industry will join in coffee promotion aimed at the consumers, for it is they who, in the final analysis, hold the key to a larger coffee market.



# School for Statisticians

Foreign and USDA experts are developing new crop-estimating techniques here that can be used abroad. Result: More complete and reliable farm statistics.

By Emerson M. Brooks  
Chief, Special Statistics Branch  
Agricultural Marketing Service

IT HAS BEEN my good fortune to work with the 183 keen and serious-minded people from 48 countries who have come here for training under the U.S. program in agricultural estimating methodology over the past half dozen years. I have found it an enlightening and thoroughly enjoyable experience. And like every other U.S. participant in the program, I am happy that its graduates are using their training in positions of responsibility and influence at home, and sometimes even on missions to other governments.

## The Program and Its Importance

The U.S. training program on crop estimating methodology grew out of years of experience in the dusty field of agricultural statistics. Anyone who uses statistics knows how hard it is to get accurate and timely information in all the geographic and subject-matter detail he needs. Such facts are hard enough to come by even in the United States. Yet here we have the best of conditions—a crop and livestock reporting service 120 years old, daily mail service, educated and cooperative farmers, swift telegraph and telephone systems, good roads, modern computing machines, skilled technicians.

But how about the man who wants information about the agricultural economy of a foreign country where some or all of these aids may be absent? Too often the agricultural attaché struggling to prepare a report, the government official concerned with the country's food situation, the technical mission striving to evaluate prospects



Dr. Martin Rauterberg directs the application of the new techniques to West Germany's statistics on agriculture.

for economic development, the exporter looking for a market or the importer for a source of supply, find their efforts frustrated by the lack of meaningful crop and livestock statistics.

However, the countries of the world are making progress in relieving this unhappy situation. In recent years, many have taken their first agricultural census. But a full-scale census is a tremendous job. At best, it is difficult to get a complete count of anything. Even in the United States with all its technical facilities, the 1954 Census of Agriculture missed 8.8 percent of the farms. Then, too, a census is costly and time-consuming. Our 1954 Cen-



Preparing to measure yield by new method. Expert marks one of areas where he will count plants and weigh harvest.



Dimas Maulit of the Philippines talks over a report that an agricultural statistician has brought in by motor bike.

sus of Agriculture cost about \$20 million and took about 2 years to reach the stage of release. Obviously, such a mammoth project cannot be undertaken often, despite its great value.

The current crop reporting service in the United States is based on mail questionnaires answered by voluntary farm reporters. But sometimes returns are not representative enough, and must be supplemented with other data.

For all these reasons, new techniques have been developed for determining acreages, yields, livestock numbers, and other desired facts. To determine crop acreages and the like, current interview surveys are made in a number of



## GRADUATES OF U.S. CROP ESTIMATING PROGRAM GO BACK TO IMPORTANT JOBS IN HOMELANDS

Many ex-trainees now hold prominent posts in their own Ministries of Agriculture. For example, DIMAS A. MAULIT (Philippine Republic) established the Division of Agricultural Economics and continues as its first chief. ELEFTHERIOS GRITSOPOULOS (Greece) is Director of his Ministry's Statistical Service. DR. M. K. HINDY (Egypt) heads the Economics and Production Section in the Department of Agricultural Economics.

U THAN TUN AUNG and U AYE KYAW (Burma) are executive officers in Burma's extensive land reform project. U THA MYA, as Settlement Officer for northern Burma, directs crop-cutting surveys designed to estimate rice production. U MAUNG MAUNG KHIN directs the Burmese Department of Agriculture's analysis and interpretation of statistics obtained from agricultural experimentation and research.

Other graduates of the U.S. program are important in their governments' statistical offices. RONALD WALKER (Australia) is in charge of the government division that prepares statistics for intra-governmental use. A reorganization of Australia's State and Federal collecting agencies is now under way. LUIS RAÚL RODRÍGUEZ (El Salvador) is head of the Industrial Census. RICARDO CHRISTOPHERSON (Uruguay) is Chief of the Division of Statistics and Census. NAFIZ ERUS (Turkey) heads the Agricultural Statistics Unit of the Central Statistics Agency, with EMIN GOCMEN as his assistant; NECATI ISCIL, of the Agency's Industrial Section, is an adviser to the General Director of Statistics. ABDUL HANIF and M. A. CHAUDHURY (Pakistan) are active in reorganizing and expanding the government's statistical service. ALEXSANDAR STANOJEVIC (Yugoslavia) is Chief of Agricultural Statistics in the Federal Statistical Institute; VOJISLAV BALABAN is also with the Institute. DR. MARTIN RAUTERBERG (West Germany) is Chief of the Food and Agriculture Section, Federal Statistical Office.

International agencies have claimed the services of several graduates. The Food and Agriculture Organization has EL MAHDY EL MAHDY SAID (Egypt) in its Nicaraguan mission, helping the Ministry of Agriculture there in expanding and improving the statistical program. FAO has sent S. A. HAMEED (Pakistan) on assignment in Africa for the same purpose. ANTERO A. GARGUREVICH (Peru) is with FAO's Statistics Office for South America. Both FAO and the Economic Commission for Europe have used the services of West Germany's DR. RAUTERBERG for special projects. SCIPA (the joint U.S.-Peruvian agricultural service) has PEDRO A. PÉREZ P. as Chief of its Division of Economic Studies.

Several former trainees are active in teaching or research. T. P. S. CHAUDHARI (India) is Head of the Economics Section, India Agricultural Research Institute. ALEJANDRO FIGUEROA (Peru) is a professor at the Universidad Mayor de San Marcos in Lima. JOSÉ GALLEGU-DÍAZ MORENO (Spain) is a professor at the University of Madrid; RUDOLF TURK (Yugoslavia) is Chief of the Agricultural Section, Faculty of Agriculture, Forestry, and Veterinary Medicine, Ljubljana.

Banking absorbs the energies of some graduates: ENRIQUE LATORRE HOYOS (Colombia) is with the Banco de la República; R. RAÚL VILLALOBOS S. (Mexico) is representative in Spain for Mexico's National Bank of Foreign Commerce S. A.; LU NIEN-TSING (Taiwan) is Senior Agricultural Expert in Agricultural Economics with the Land Bank in Taipei. Business occupies others: CARLOS MONTAÑÉZ (Colombia) is statistician for the Coffee Federation; MILCIADES D. HERRERA BAEZ (Dominican Republic) works with the Compañía Exportadora de Cacao; VÄINÖ RAFAEL LIGNELL (Finland) is doing private market research in Turkey.

The career of DR. HECTOR SANTAELLA (Venezuela) cuts across nearly all lines of work. After his course here in 1942, he was—technical director with the Venezuela Development Corporation, head of a policy branch in the Ministry of Foreign Affairs, Special Delegate to the Board of Governors of the International Bank for Reconstruction and Development, Executive Director of the International Monetary Fund, Ambassador to the United States. He is now Secretary of the Provisional Junta of the Venezuelan Government.

small areas of land. To obtain yields per acre, objective measurements of crops are made in selected fields. These techniques are the most practical for use in countries where mail service is inadequate, transportation and communication poor, or the rural population uncooperative or largely illiterate. These surveys not only cost relatively little compared with a full-scale census, but provide information much faster and sometimes more accurately.

## How Objective Measurement Works

Objective measurement surveys are considered especially suitable for conditions in many foreign countries because they can be applied without elaborate equipment or large staffs. Though the exact procedures vary by commodity, the general rules are basically the same. In a fruit survey, for example, first a small sample of orchards is selected that is truly representative of all in the State. Next a sample of trees is made in the selected orchard; then a sample of branches; and finally an objective measurement is made by counting the fruit on one limb. Using this fruit count in an involved statistical formula gives a yield estimate that is usually quite reliable. In surveys for grain and other crops, objective measurements are made by harvesting certain carefully selected small areas in a sample of fields. These small areas represent a known fraction of an acre—about one ten-thousandth—and so the weight of grain taken from them can be readily converted into yield per acre.

Such surveys must be planned and supervised by skilled technicians. To help train people from abroad in these techniques is a primary purpose of the U.S. program in agricultural estimating methodology. This program, which the U.S. Department of Agriculture's Crop Reporting Board has carried on for years, was expanded in 1951 as part of the U.S. program of technical assistance.

Experience both here and abroad shows that objective measurement surveys can be of great significance in improving knowledge of crop conditions. In our training program, we expect to stress still further the techniques and procedures used in making these surveys. So far as statistical principles are concerned, this is indeed one world, for more and more countries are using the same methods in their crop measurement. It could even be that in countries subject to frequent crop failure and thus to famine, reliable forecasts based on these techniques could ward off disaster. So the work our program's graduates are doing at home can be vital. The notes that appear nearby concerning some of the participants show the importance and wide range of their present activities.

Here is how the training program operates. A dozen or so people from about that number of countries arrive in the United States in mid-August for a year's training. After a few weeks of orientation in Washington, D.C., they go to a State university for two semesters of college work. The courses, designed to meet the specific needs of the group, include English for foreign students, statistics, mathematics, economics, and related subjects. In addition the group gets practical demonstrations in office management

*(Continued on page 22)*



## North America Produces

# Red Clover Seed For Finland

How this northern country is getting, at lower latitudes, enough red clover seed for its farmers.

By OTTO VALLE

Department of Plant Husbandry  
Tikkurila, Finland

FINLAND, lying between latitudes 60 and 70, is the northernmost agricultural country in the world. Because of the short growing season in these northern latitudes, dairy farming is the main source of farm income, and well over half of the country's 6.5 million acres of arable land is under grass and clover. Timothy and red clover are the principal forage crops, and these are especially important for the barn-feeding season which lasts 8 months.

About 750,000 acres of grassland are seeded each year in Finland; therefore the demand for hbage seed is great. Timothy seed production causes no trouble; in fact, Finland is a fairly important exporter of this seed. But red clover seed presents difficulties, and these difficulties have increased in the past decade because of shortage of pollinators and prolonged rains during the fall season.

Ever since 1950, Finland has found it necessary to import considerable quantities of red clover seed. Since only the single-cut, late-flowering varieties are winter hardy in Finland, it has been something of a problem to find suitable strains in other countries that will not be killed by our extreme winters. Sweden, which normally supplies Finland with red clover seed, has also experienced a shortage for the last 6 or 7 years. As an alternative, Finland turned to Canada and since 1948 has been importing some 60 percent of its red clover seed from that country. Yet this has been merely a matter of necessity, for the Canadian variety, Altaswede, has not the hardiness necessary to endure Finnish winters, especially in our second year lays.

### Foreign Field Trials

Red clover is the most important source of protein available in Finland for animal feeding and, since it cannot be duplicated by any other leguminous plant, the question



Red clover field at Tammisto Plant Breeding Station, Finland, where seed is produced for multiplication abroad.

of multiplication of Finnish clover varieties in other countries was given serious consideration. The first field trials outside of Finland's own borders were made with Tammisto, the first Finnish-bred variety of red clover. This variety, developed at the Tammisto Plant Breeding Station near Helsinki, has been marketed since 1937. But its multiplication in Finland has been possible only on a very small scale; the seed yields of about 3 tons annually have been of no practical importance.

Unfortunately, the first field trials abroad with the Finnish-bred Tammisto were not encouraging. These were started in Sweden in the early 1950's, but here, as in Finland, the weather conditions which produce the late-flowering red clover seed were generally unfavorable during the seed harvesting time. So, obviously, more distant countries with more favorable climates had to be sought.

Canada, which had supplied Finland with the single-cut Altaswede seed, was considered first. Since the Altaswede variety grew successfully in Alberta, it was decided to try Tammisto at the Canadian experiment stations in this area.

The first trials were started in 1954, and in the summer of 1955 I had an opportunity to study these seed production experiments. The greater part of the Tammisto red clover seed was sown in two districts in Alberta: the Brooks district, situated at about the 51st latitude, and the Peace River district, at about the 56th latitude.

We now have available some data on the experience gained during the winter of the 1956-57 and the 1957 season. In the Brooks district, where cultivation was aided by irrigation, wintering of the stands was excellent. On all the farms the winter survival of Tammisto red clover averaged 98 percent, the average yield per acre was 113 pounds, and the average purity was 98.9 percent.

In the Peace River district the winter of 1956-57 was a

difficult one. The snow cover melted during the winter and this was followed by a severe frost, so that on two farms only 5 percent of the stand wintered satisfactorily and the fields had to be plowed up in the spring. On several farms wintering averaged 90 percent and a good seed harvest was expected; then a snowstorm came early in October 1957 before the harvest was completed, so most of the crop was lost. Consequently, only three of seven farms were able to harvest a part of the seed crop, and the average yield was only 63 pounds per acre.

The fall of 1957 was exceptionally unfavorable in the Peace River area. Nevertheless, the Tammisto red clover requires a longer growing period than the Altaswede, and this is a drawback in the northern latitudes of Canada. The Brooks district further south is more suitable, with good possibilities of producing seed for Finland.

### **U.S. Experiments**

In the United States, where I am also familiar with the work being done by the National Foundation Seed Project, production experiments with Tammisto have been centralized in the West. At Bakersfield, California, the results were interesting. The seed was sown in January 1956, using no cover crop. The quality was excellent but the yield was only 50 pounds per acre. The following year, on the same field, the harvest totaled 450 pounds per acre, the highest yield of Tammisto on the whole continent. Huntley, Montana, had good results too. Here the yield amounted to 200 pounds of seed per acre, also of excellent quality. Thus, it appears that the Tammisto variety seed can be produced in the United States at latitudes from 35 degrees to 46 degrees, whereas Finland's latitudes range north from 60 degrees.

The important part of these experiments lies ahead. Can seed produced under such different climatic conditions and different day lengths retain its original genetic characteristics? To verify what, if any, changes might have occurred in even one year of multiplication in another country, Tammisto seed lots produced both in the United States and in Canada were sown in Finland. That grown in Bakersfield in 1956 was planted in

the following summer at the Department of Plant Husbandry, Tikkurila, and again in the spring of 1958. The first results with the Bakersfield seed are promising; however, it will take a few years to tell whether or not any changes have taken place.

### **Two-Generation Production**

Should this foreign-grown seed prove completely acceptable, the intention is to permit seed production abroad in only two generations. New breeders' seed will be sent from Finland every year for seeding the first fields; and the yields of these fields, the so-called foundation seed, will be used to produce certified seed for Finland.

The experience obtained during these years has been encouraging. One can safely say that technical possibilities exist for expanding the production of Tammisto red clover seed in both the United States and Canada. And although the multiplication of the seed takes place on the opposite side of the globe, over 6,000 miles from Finland, it is economically practical despite the long shipping distance. Moreover, these experiments have provided a striking example of the valuable services that countries, though far apart, can perform for one another.

### **Europe's Hogs**

*(Continued from page 5)*

crease their hog operations. Hog numbers rose to 59 million by the beginning of 1958, 5 percent above a year earlier and 71 percent above the 1946-50 average. Pork production in 1958 is estimated to have risen to 13.5 billion pounds, 3 percent above 1957. Lard production, at 2.0 billion pounds, rose but slightly; thus, more pressure has been placed on already weak prices.

### **Exporters Hurt**

The effect of this rise in hog production has been felt outside of Western Europe. Hog numbers were also high in the Communist countries of Eastern Europe. The traditional export trade in live hogs, lard, and pork from these countries has been hampered.

The effort of these countries to seek new markets for their exports has brought U.S. exporters new competition in the Caribbean and other areas.

Polish hams and other pork specialty items have been appearing in U.S. stores. And Yugoslavia, which is actively seeking new outlets for its pork, will have in operation by the end of this year several modern meat canning plants, designed especially to meet rigid U.S. import standards.

More significant is the effect on U.S. lard exports. The United States ships abroad 20 percent of its lard, most of it to Europe. During the first 6 months of 1958, our lard exports to Europe were 50 percent below the same period a year earlier. This represents a gross loss of \$13.6 million. With a large hog slaughter predicted in the United States for 1959, good export markets for our lard will be important if we are to relieve the expected burden on our domestic market.

The United States is also a large exporter of variety meats—hearts, brains, livers, and so forth—most of them from hogs. These specialty products command a high price in Europe. Although shipments had risen sharply in recent years, they leveled off in 1957 and fell from \$9.3 million in the first 6 months of 1957 to \$5.6 million during the same part of 1958. Most of this drop can be attributed to reduced Western European imports.

### **Competition**

The outlook in Western Europe for 1959 is somewhat more favorable. Farmers have shown some signs of reaction to weak market prices for their hogs, and although no drop in hog slaughter is forecast, neither is production expected to increase. Still, production continues to be large in the hog-and-pork-surplus areas of Eastern Europe, and U.S. exporters can expect stiff competition from that source.

U.S. exporters also face very different conditions from what they did several years ago. Western Europe is now a "quality" market. With abundant domestic supplies and with alternate sources of imports, the European importer can pick and choose. Further, Europeans have also been able to enforce strict sanitary regulations on imports, and U.S. exporters must keep this in mind if they hope to keep their present position in the lucrative pork-product market of Western Europe.





An Aulie-ata bull at artificial insemination laboratory in Kunze. Soviets pioneered in this breeding technique.



This imposing building houses the Moscow Veterinary Academy, one of the largest and best equipped in the USSR.

## Veterinary Medical Service in the USSR

How the Soviet veterinary service is organized, where it is strong, where weak, are described by Dr. W. A. Hagan, leader of the group of U.S. veterinary scientists who visited the USSR last summer.

OUR VETERINARY exchange delegation arrived in the Soviet Union late in July and was welcomed at the airport by a group of Soviet veterinary officials. Among them was A. A. Boiko, Chairman of the Veterinary Collegium of the Ministry of Agriculture and the highest ranking veterinary official in the country.

We spent several days in Moscow where we were briefed on the Soviet veterinary organization. The Veterinary Collegium, as might be imagined, directs all the veterinary activities of the country. It approves the textbooks to be used in the veterinary colleges, of which there are about 34 located around the country. Thus a pattern of conformity is set. Professors, however, may deviate to emphasize specific problems of local importance.

Second in importance to the Collegium is the All-Union Academy of Agricultural Sciences. Its animal hus-

bandry and veterinary science departments supervise three of the largest veterinary institutes in the Soviet Union, namely, the All-Union Institute of Experimental Veterinary Medicine, the All-Union Research Institute of Veterinary Sanitation and Ectoparasitology, and the All-Union Institute of Helminthology. All biological products are controlled by a state institute which has jurisdiction over the several biocombines—comparable to our commercial drug laboratories.

### Republic Organization

Veterinary service for the country is further organized on a republic basis. Each of the 15 republics has a veterinary representative in its Ministry of Agriculture and each has one or more research institutes. Most of these confine their work to research; a few, however, make some biological preparations, and others give short refresher courses to veterinarians.



Photos by Rue Jensen

U.S. veterinary group studies periodicals in the Zootechnical Institute, Tiflis. Below, group poses for picture at "Sunrise of Communism" collective farm in Leningrad vicinity.



The vastness of the Soviet Union and our time limitations permitted us to visit only a few of the institutes and colleges. In our travels we were accompanied by Prof. V. N. Siurin, Director of the State Scientific Control Institute for Veterinary Preparations, and A.A. Rogov, a young physician in medical research who acted as our interpreter. We had few if any problems. Our hotel and transportation reservations were made for us, and local delegations met us at railroad stations and airports at all hours of the day and night.

In the Ukraine, where we visited the research institute in Kharkov, we found the Republic divided into 182 districts, or rayons as they are called. The apparent goal is to locate one veterinary diagnostic laboratory in each—though the one visited served two rayons. It was staffed with two veterinarians and technical help. Their duties included making diagnostic examinations of blood and pathological material, establishing and enforcing sanitary control measures, educating the public to the use of veterinary service, and holding consultations with practitioners.

The rayon we visited had six veterinary hospitals, each staffed with two veterinarians and technical help. These hospitals may be used for confinement in cases of observations, major operative cases, and quarantine cases; and sometimes they keep experimental animals for use by the research laboratories.

Most of the Soviet veterinarians—probably 95 percent—and the veterinary assistants serve as practitioners in rural areas, particularly on state and collective farms. In the mountainous regions where animals roam over large areas, mobile laboratories operate from centrally located diagnostic centers and research laboratories. These are well equipped with facilities for doing hematological, bacteriological, and pathological diagnostic work. And they can also carry small experimental animals.

For a country the size of the USSR, with limited transportation facilities and shortages of modern equipment, the Soviet veterinary organization is surprisingly effective. It also lends itself to other uses. By making it obli-

gatory for veterinarians to perform artificial inseminations—for which they have received training—personnel are available for most livestock breeders desiring the service. Sources of semen from all species are also available from males on state and collective farms, zootechnic institutes, experiment stations, and numerous studs that maintain purebred males for the establishment of new breeds.

## Insufficient Equipment

There is another side to the picture. The Soviet Union has been training veterinary personnel and developing working facilities and equipment at an ever increasing rate during the last 40 years. But neither the research laboratories nor the schools have more than a minimum amount of equipment and that is often of poor quality. In fact, it might be said that most of the Soviet veterinary schools and colleges are similar to those in the United States 40 years ago.

Yet as the Soviet Union acquires modern equipment it will move ahead in veterinary science. Even now some laboratories are equipped with electron microscopes and are experimenting with isotopes and beginning to work with tissue culture. Also, Soviet scientists are among the world leaders in parasitology. They are especially strong in taxonomy, in large measure because of one man, the well-known Academician K. I. Skriabin.

We found the institute libraries well stocked with Russian publications. They contained German, British, French, and American scientific books as well as many foreign periodicals. Veterinarians we talked to were familiar with our literature, and many of them have an excellent reading knowledge of English, having chosen it as their foreign language requirement during their first 10 years of schooling. Also, an extensive and effective translation service renders practically all foreign scientific publications easily available to Soviet veterinary scientists.

## Disease Control

It appears that the Soviet Union's success in disease control could be the result of having utilized everything that has been accomplished in the

(Continued on page 22)

**Industrial Molasses.** World production of industrial molasses has risen from about 1.8 billion gallons in 1950-51 to nearly 2.4 billion in 1957-58. The principal producing countries are Cuba, the Soviet Union, Brazil, continental United States, and India. If Hawaiian and Puerto Rican output were added to U.S. totals, U.S. output would be second only to Cuba's.

**Coffee.** Total 1958-59 world output of coffee is estimated at 58.7 million bags compared with 52.5 million in 1957-58. Exportable production will probably reach 51 million bags, while demand by importing countries will not be over 38 million.

**Wheat.** The 1958 world wheat crop is forecast at an alltime high of 8.3 billion bushels—about 500 bushels above the previous record in 1956. Most of the increase is in the United States, but the other two leading producers—Russia and Communist China—also report near-record crops.

**Milk.** World milk production was up about 2 percent in 1958 for the third successive year, according to estimates based on reports of 22 primary producing countries, which produce 60 percent of the world's milk. Gains this year, however, were more sporadic than in other recent years.

**Cotton.** World cotton production for the 1958-59 season (August-July) is estimated at 42.3 million bales, 2.1 million above the preceding season. The largest increases are expected in the United States, Sudan, Egypt, Mexico, Uganda, the Soviet Union, and Communist China, mainly because of favorable growing conditions, as well as increased acreage abroad. Present indications are for output to exceed disappearance by about 1.0 million bales.



the genetic traits of foreign livestock breeds; exploratory searches for new plants potentially valuable to commercial and industrial users; studies of soils depleted by centuries of cultivation, for clues on how to restore their productivity; and examination of the ways in which the various kinds of land holding, rents, and leases used in other nations have affected the economic status of farmers.

● The proposed forestry research program offers the chance of studying certain foreign insects and diseases—either types that are already in the United States or types that would pose a serious threat if introduced—to learn how they might be controlled by biological methods.

For example, a contemplated study in Yugoslavia would seek out safe predators to control the balsam woolly aphid, an insect which causes enormous damage to fir forests both in the eastern and in the western parts of the United States.

Another proposal is to establish experimental plantations of important U.S. forest tree species in India so as to test their degree of susceptibility to diseases that are native to southern Asia.

A forestry research program could also include basic research on soil-water-plant relationships in certain selected environments; physiological studies of selected tree species; analysis with the aim of developing improved forest surveys; and basic studies of the structure and the chemical and physical properties of foreign woods.

Of deep interest to Alaska is a proposal for a study in Finland of the effect that various forest management practices have on permafrost. Timber managers in certain parts of Alaska need such data as a guide to avoid harming vegetation during logging and silvicultural operations.

With all its possibilities of useful discoveries in its four fields, the new program promises rich benefits—not only to farmers both here and overseas, but to all those interested in agricultural trade. Eventually these benefits will be shared also by the consumer public in the United States.

# Extension of P.L. 480 To Continue Farm Export Programs Through 1959

When Congress voted this fall to extend the Agricultural Trade Development and Assistance Act of 1954 (P.L. 480) through 1959, it retained a basic export tool for U.S. agriculture. This law has accounted for a fourth of all U.S. farm exports in the last 4 years.

To cover sales for foreign currencies under Title I of the Act, Congress authorized \$2.25 billion. The previous authorization of \$4 billion, which expired June 30, 1958, was fully committed under agreements with 37 friendly countries, and about 90 percent of this program has already been shipped. Some products it covered are:

Wheat .....	617 mil. bu.
Corn .....	66 mil. bu.
Barley .....	64 mil. bu.
Grain sorghums .....	21 mil. bu.
Rice .....	28 mil. cwt.
Cotton .....	3.2 mil. bales
Soybean and cottonseed oil .....	2 bil. lb.
Tobacco .....	208 mil. lb.

P. L. 480 specifies the ways the foreign currencies received may be used. The agreements usually set aside a large share for economic development loans—both to the foreign government and to U.S. and foreign private companies. Other important uses include military procurement for the common defense, developing U.S. agricultural markets abroad, educational exchange, and paying U.S. Government expenses overseas. New uses now added include these: Financing scientific activities abroad; acquiring foreign sites and buildings for U.S. Government use; purchasing and handling foreign publications of technical or cultural significance here; aiding U.S.-sponsored educational institutions abroad; supporting foreign workshops and chairs in American studies.

The new law also extends the Title II program of famine relief and other assistance. It does not, however, increase the previous \$800-million authorization, for more than \$300 million of that fund is still uncommitted. This program permits the President to make emergency grants of farm commodities from Commodity Credit Corporation stocks to friendly governments, or to

friendly peoples without regard to the friendliness of their governments. For instance, 65,000 tons of U.S. wheat went to Lebanon, to aid people affected by severe drought and crop failure, as well as by the recent disturbances. Also to relieve hardship from drought, 3,000 tons of U.S. wheat were programmed for Libya. In Tunisia, U.S. wheat is being supplied to help pay workers on public works projects designed to relieve unemployment and emergency famine conditions. Over \$9 million of wheat flour and rice went to Ceylon for those in need due to floods.

In Title III, revised language instructs the Secretary of Agriculture to barter or exchange CCC commodities for strategic or other materials when he determines that such action is in the best interests of the United States. It also instructs him not to put restrictions on the free-world countries into which barter deliveries may be made, except insofar as he finds it necessary in safeguarding usual U.S. marketings and assuring that these deliveries will not unduly disrupt world prices or replace cash sales for dollars. USDA recently reviewed its barter program in the light of this new language, to devise the best way of continuing the program as an important tool in disposing of CCC surpluses.

Title III also authorizes donations of surpluses to needy people at home and abroad. An amendment now permits distribution on the same basis in areas under U.S. jurisdiction, such as the Trust Islands of the Pacific and the Ryukyu Islands. It further authorizes CCC to purchase products of oilseeds and edible oils and fats, for donation to needy people outside the United States, and to purchase wheat flour and corn meal for donations instead of processing its own wheat and corn.

During the past year, all the P.L. 480 programs together—foreign currency sales, emergency grants and loans, and barter—accounted for more than half the volume of U.S. wheat, rice, and vegetable oil exports and for about a quarter of the corn and cotton.



Courtesy Grace Line

Ecuadoran bananas are loaded aboard ship for the export market. Ecuador is the world's biggest banana exporter.

## Ecuador's Exports Grow Steadily

By JAMES P. LANKFORD  
Latin American Branch  
Foreign Agricultural Service

**E**CUADOR, one of the smaller South American countries, is making steady gains in its basically agrarian economy. Last year the Republic's export earnings from farm products totaled \$97 million, or seven times more than the amount sold abroad 20 years ago. Compared with most of the Latin American countries, Ecuador has made an impressive gain; the average for the area as a whole is only fourfold.

Not only have Ecuador's exports moved upward, but agriculture's share has increased. In 1937, 75 percent of the country's shipments abroad were agricultural; last year the figure was 90 percent. The main reason is the government's agricultural policy, which is directed toward expanding exports and producing more farm products.

For many years, Ecuador's foreign trade depended almost entirely on cacao. But the tragedy of cacao in the twenties and thirties, when disease ravaged the plants and sharply reduced output, focused attention on alternate crops. This diversification of agriculture resulted in a wider variety of export crops and a stronger economy.

Today, Ecuador's agriculture includes practically all the farm products common to both tropical and temperate climates. The major export crops are bananas, coffee, cacao, and rice. These are grown in the rain forest area of

the Pacific coast. Corn, beans, potatoes, barley, wheat, sugarcane, tobacco, and cotton are raised mainly for home use. The domestic-use crops—except sugarcane, tobacco, and cotton—are grown primarily in the Sierra. Raising cattle—particularly dairy-type herds—is also a major industry in the highlands.

### Physical Features

Ecuador's geography, like that of many other South American countries, is one of its major problems. Although half the country's people depend on agriculture for a living, only about 5 percent of the land is cultivated. Its area, about the size of Arizona, straddles the Equator, and many parts are virtually inaccessible.

The country is divided into three distinct sections. About two-thirds of the people live in the least productive one, the cloud-high Sierra, where erosion and poor farming techniques have stripped the land. Less than a third of the people live in the hot coastal zone, which boasts about 33,500 square miles of fertile land. Only about 10 to 15 percent of this area is farmed and the remainder is considered the country's main reserve.

The wild Oriente on the east, which slopes away from the Andes down to the Amazon, is sparsely settled by only

200,000 people from a total Ecuadoran population of 3.9 million.

### Ecuador's Exports

The greatest single boost to Ecuador's economy during the past 20 years has been the unusual expansion in banana production. During the last few years, Ecuador has held first place as the world's biggest banana exporter. In 1957, exports—totaling 31.6 million stems (of 50 pounds each)—were the highest on record and 15 times greater than the prewar level. The value of foreign sales in that year was less than in 1955 or 1956 because banana prices were down, but bananas still accounted for \$34.5 million, or more than a third of total exports.

Recently coffee has edged out cacao to become Ecuador's second most important export crop. Despite a drop in world prices, the value of Ecuador's sales abroad—\$30 million worth—set a record and represented over 30 percent of the country's export earnings. The value of coffee exports in 1957 was 30 times greater than in prewar, but rising prices were responsible for much of the increase. Production, estimated at 500,000 bags (132.3 pounds), was only about double that before the war.

Cacao's importance as a foreign exchange earner has diminished. It ac-





Ecuadorian Indian woman examines corn crop. Most corn is grown in the country's highlands, mainly for domestic use.



Photos from Organization of American States  
Wheat is winnowed and brushed by Ecuadorian peasants. Wheat and flour are main U.S. farm exports to Ecuador.

counted for only 19 percent of total sales abroad last year compared with 30 percent in 1940. Total exports last year, however, were valued at \$18.6 million—nearly 10 times prewar value despite the fact that output has increased only 24 percent.

Ecuador's rice, its fourth most important export crop and the only one that competes with U.S. exports, is not new to world markets. Ecuador started shipping small quantities of rice to neighboring countries as early as 1921. By 1940, sales of rice abroad were second only to bananas in tonnage and were exceeded only by cacao and coffee in value. Shipments reached their peak tonnage in 1946 and were in first place in value of crops exported. Since then, the trend in both quantity and value of exports has been mostly downward, but the 1957 value—about \$4.9 million—was still five times greater than prewar.

Ecuador's minor export products include sugar, tropical woods—especially balsa—and straw hats. At one time, exporting "Panama" hats was an important business, but the market for these has dropped off in recent years.

#### Trade With the U.S.

The bulk of exports—mostly agricultural—goes to the United States. The United States, in turn, supplies

Ecuador with over half of its imports—mainly nonfarm products.

The United States has been the principal market for bananas, coffee, and cacao. Last year it bought 62 percent of Ecuador's export bananas, which supplied a third of U.S. banana needs. In recent years, the United States also has purchased two-thirds of Ecuador's coffee supply and half of its cacao, plus various quantities of castorbeans and other less important products. In addition, nearly all U.S. imports of balsa wood come from Ecuador.

Only about one-seventh of U.S. exports to Ecuador are agricultural. Wheat and wheat flour are the main items, but the country also buys other U.S. grains, as well as tallow, cotton, dairy products, cottonseed oil, and other vegetable oils.

In value, these purchases cannot compare with those of the larger Latin American countries, but the market has been growing and, as population increases and development take place, it may become larger. The Ecuadorian diet is low in both calories and protective foods and any rise in living standards would naturally be translated into a bigger demand for products which would supply these deficiencies. Living standards appear to be improving, but whether Ecuador

*(Continued on page 21)*



Cacao beans are dried and stored in the middle of a Guayaquil street. Below, balsa timbers. The U.S. buys this light-weight wood from Ecuador.





## Foreign PRODUCTION NEWS

**Nigeria's** 1958-59 **peanut** crop is expected to fall short of last season's record level. Prolonged dry weather in parts of Northern Nigeria has damaged the crop, but it is too early to forecast the extent of the loss. However, large carryin stocks would at least partly offset any reduction in output. Nigeria is one of the world's largest producers and exporters of peanuts, and an important U.S. competitor in edible vegetable oils.

**Argentina's** 1958 dried **prune** output is up to 42 percent over last year's crop. Quality is reported below average, however, because of hail injury during the growing season. Prunes are Argentina's top dried fruit export crop and Brazil is the main taker.

**Australia's farm production** is expected to benefit substantially from general and timely rains over most of the more developed areas. Exceptions can be found, however, in Western Queensland and the Northern Territory where drought persists and feed is scarce, and in Victoria and South Australia where floods have been ravaging thousands of acres of rich pastoral country. **Grain** prospects are quite good. The wheat crop—forecast at 180 million to 200 million bushels—is above average and sharply above the small crops of the past 2 years.

**Rhodesia**, the United States' biggest competitor in flue-cured **tobacco**, is looking forward to its largest crop in 1959. The goal of 185 million pounds would be 25 million above the bumper 1958 crop. Growers do not consider it necessary to increase their acreage to produce a crop of this size. Improved practices alone could do it.

Unfavorable weather in August and September hampered **grain**

## Four Countries Cooperate on New Milk-Utilization Program

Four countries—Brazil, Burma, India, and Pakistan, all low milk consumers—are joining a program to promote wider milk usage. This program, recently under way, is aimed at developing new products using milk and finding new ways to adapt milk to local diets.

In cooperation with the Foreign Agricultural Service and Dairy Society International (DSI) individual projects will be developed for each of the four countries. Each project will undertake all or part of a four-point program to—

(1) Develop new commercial food items made of U.S. dairy products blended with locally available foodstuffs. These products will have a high dairy product content and be nonperishable, inexpensive, precooked, tasty, and nutritious. For example, preliminary work to determine the types of products which might prove most effective has included dry milk combined with peanuts, coconut, sugar, molasses, and other sweeteners and flavorings; cheeses with curry or rice; and dry milk blends for making soups and chowders; also a soluble edible milk protein for mixing with other foods to add food value without a change in flavor.

(2) Transform exportable dairy products into commercial dairy foods most acceptable to the consumers in the country where they are to be sold. Possibilities might be dry or evapor-

ated milk used in cultured and fermented milk, and yogurt, or dry or evaporated milk diluted for drinking (with or without flavoring); butter used for ghee; or U.S. Cheddar blended with local cheeses. Recombining operations to produce fluid milk and ice cream from nonfat dry milk and anhydrous milk fat may also be undertaken.

(3) Determine ways to introduce dairy products into foods prepared in the home. Some of the ways this may be done are: Dry milk or cheese cooked with rice; fruit whips made from whey concentrate or nonfat dry milk; pudding and cake mixes, and condensed and evaporated milk desserts; curry dishes using dairy products; and nonfat dry milk, butter, and cheese used in biscuits and other baked goods as meat extenders.

(4) Promote, through education, the new commercial food items, as well as dairy products already in international trade (evaporated and condensed milk, nonfat dry milk, whole dry milk, cheese, and butter). This is a long-range phase of the program.

The projects will be financed jointly by USDA and DSI. American dairy interests will contribute the dollars for costs and expenses in the United States. The Agriculture Department, through Public Law 480, has made available nearly \$500,000 in local currencies to take care of costs in the four countries.

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harvesting in the **United Kingdom**. Heavy rains and high winds flattened large grain areas—particularly areas planted to barley and oats—and delayed harvesting. The delay also caused loss from shedding and from birds.

**Pakistan** is planning broader use of final, or blackstrap, molasses. Two new distilleries will convert it to alcohol to be added to gasoline as motor fuel. In the 1957-58 season, Pakistan produced 12.6 million gallons of molasses; most of it was dumped into the river.

**Japan** credits improved cultural practices and favorable weather for its third straight year of increased **fruit** production. Mandarin oranges and other citrus crops are expected to reach a new high, and apples will probably reach a record 37 million boxes.

**New Zealand's lamb** slaughtering season began early this year; November is usually the first month of heavy slaughter, but this year the kill was large by mid-October. New Zealand ships both lamb and mutton to the U.S.



## Ecuador's Exports Grow

(Continued from page 19)

will gain in importance as a market for U.S. farm commodities will depend on whether food and fiber needs exceed home production.

### Outlook

Ecuador's long-term outlook is for continued heavy trading. Of major importance will be the banana trade, since bananas are the country's leading foreign exchange earner. Prospects for the country's retaining its position as the world's foremost banana exporter appear favorable if banana disease problems can be successfully combatted.

Ecuador's coffee outlook parallels that of most of the other coffee-producing countries of Latin America. Falling prices, resulting from overproduction, are causing much concern. If coffee prices continue to decline, some adjustments in the Ecuadoran economy will be necessary. Fortunately, that economy has proved to be flexible and responsive to market incentives.

Particularly promising in Ecuador's future are the prospects for cacao. Output has been building up following the severe slump caused by diseases which have plagued the industry since the late twenties. The government has established a program for rapid cacao development, with special emphasis on replacing aged trees with new improved varieties of cacao resistant to common diseases. It is also using better lines in new plantings.

Also important to Ecuador's future economy is the development of its vast virgin agricultural and timber lands—much of which are presently inaccessible. Planned technological advancements in the fields of transportation and electricity, which will facilitate the cultivation of these lands and expedite the movement of products both throughout Ecuador and to the export markets, are already under way. A 5-year transportation program includes new road construction to link the two main economic areas—the coastal and Sierra regions—and improvement of railroads, particularly the Quito-Guayaquil line. Completion of these transportation networks will be of invaluable aid in uniting this three-part Republic, but realization of these plans is far in the future.



## Australian Beef Moves Faster Via New Route to Great Britain

Four new shallow-draught vessels are making it possible for Australia to send beef to England via a new "North-About route," which cuts about 15 days from total shipping time. These ships can load at many of Queensland's shallow ports and sail, fully loaded, northwest through the narrow Torres Strait and on to England through the Suez Canal.

Heretofore, ships which drew a great deal more water were used to ship beef to England. These had to sail empty through the shallow Torres Strait and, while they could begin loading at shallow water ports, they had to finish their loading operation at deep water ports like Sydney and Melbourne. Then they had to ply the "South-About route"—sailing westward around the southwest coast of Australia to get to the Suez Canal.

The North-About run takes about 28 to 30 days to complete, in contrast to 45 days on the regular southern route. This saving in time is important to the chilled beef trade because shorter storage time means that

there will be less loss of quality.

Until now, Australian chilled beef sales to the United Kingdom were only a small part of total exports—mostly canned and frozen—to that market and were not competitive with chilled beef shipments from Argentina, New Zealand, and Ireland, or with British-produced supplies. But competition is growing because the new vessels can transport 2 million pounds of chilled beef in one trip.

Although the prospect of selling more chilled beef is pleasing to producers because it brings higher prices and has better consumer acceptance than frozen, this trade has its problems. A steady supply of suitable slaughter cattle is needed if shipping schedules are to be met, but there is a limit to the number of highly finished young cattle available for slaughter. Also, marketing is seasonal, and there are few fat cattle for slaughter in off seasons. If additional volume is needed for a full shipment, however, the new ships are equipped to carry frozen beef along with the chilled

## School for Statisticians

(Continued from page 12)

and procedures and in census operations. During the summer it tours the farming areas of greatest significance to its members; it visits farm homes, experiment stations, conservation projects, County Agents and Home Demonstration Agents, agricultural fairs, processing plants, and marketing facilities. Each participant prepares a report on his year's work, and program officials try to help him determine how to best apply his training to problems in his home country.

No revolution in data collection programs has occurred from the U.S. training program in agricultural estimating methodology, nor is any expected. But seed has been sown which may yield well in due course. In some 50 countries scattered around the globe, there are people now working who have taken a year or so out of their lives to study the problems of collecting, analyzing, and using agricultural statistics. Comments from many of them indicate that progress has been made in improving statistical work and further advances are expected.

## Red China's Food Supplies Behind Schedule This Year

Despite Communist reports of phenomenal 1958 increases in food production, some cities are short of food. Workers in mines and on big construction projects are not getting full rations either.

This situation was recently revealed through a Chinese Communist Party directive broadcast by the Peking radio, which described both the collection and distribution of food as unsatisfactory. All government workers concerned were called on to achieve an immediate speed-up to "alleviate the critical problem."

The directive conceded that the situation was caused by a farm labor shortage resulting from a priority steel production program in local plants. Workers are involved in this at harvesttime and when winter crops are being prepared. Shock purchase teams to get the state's share of this year's harvest from the peasants were to be formed, and additional transport facilities obtained.



**Progeny of Exported Bull Win Top Honors in U.S.**

When Dr. Heliodoro Bonilla Guzman of Bogotá bought a Brown Swiss bull in the United States several years ago he got a good one. This fall the U.S. progeny of that bull—Lee's Hill Masterpiece M—have taken so many honors at American cattle shows that breeders in both countries can well take pride in him.

Masterpiece (above) was respon-



sible for Norman Magnuson's winning Get of Sire plus Premier Breeder and Premier Exhibitor at both the International Dairy Cattle Congress in Waterloo, Iowa, and the International Dairy Cattle Exposition, Chicago. Also, at Chicago, Masterpiece's paternal sister, Lee's Hill Kistrel M (shown at right with the American Dairy Queen) was named the best Brown Swiss cow.

## Soviet Veterinary Service

(Continued from page 16)

West and applying it to their own conditions. This might be said to apply to mass prophylaxis by vaccination, education of the public to the use of veterinary science, and enforcement of sanitary control measures.

The Soviets have obtained results similar to those in our country in the eradication of diseases, such as rinderpest, pleuropneumonia, sheep scab, glanders, and other diseases. They effectively control anthrax, blackleg, encephalitis, and fowl pest.

One of the worst diseases they have to combat is foot-and-mouth disease. This is carried by a wild, goat-like antelope, *Saiga tartarica*, which serves as a constant source of infection in some of the mountainous regions of southern Asiatic Russia where this animal is found. *Brucella melitensis* is prevalent in sheep. This too will be difficult to eradicate because 20 per-

cent of the hares in some areas are carriers. Parasitic diseases also appear to be a major problem.

At the end of our trip we had all reached the same conclusion—that the Soviet Union's veterinary potential is great. The Soviet veterinary services are highly organized and they seem to be making rapid progress. Only with highly trained personnel and excellent facilities can we in the United States hope to maintain our present position of leadership in veterinary science.

*Members of the U.S. veterinary group included: W.A. HAGAN, New York State Veterinary College, Cornell University; RUE JENSEN, College of Veterinary Medicine, Colorado State University; and the following from the USDA Agricultural Research Service: A.H. FRANK and F.D. ENZIE, Animal Disease and Parasite Research Division; J.J. CALLIS, Plum Island Disease Laboratory; and C.D. VAN HOUWELING, Assistant Administrator, ARS.*



## Outlook for U.S. Exports

(Continued from page 4)

improved gold and dollar position of a number of foreign markets; (2) increased cigarette consumption abroad, particularly for brands containing light tobacco; and (3) a larger U.S. crop this year, with flue-cured, the major export kind, up some 100 million pounds from a year ago.

**Oilseeds and Oils.**—A sizable increase is expected in exports of edible vegetable oils. Soybeans will probably show little change, and exports of flaxseed will probably decline. Larger exports of edible oils (cottonseed and soybean) would mainly reflect the heavier movement of oils which has taken place under Public Law 480 since July 1, 1958. Larger foreign supplies and consequently world prices below U.S. support levels would cause the decline in flaxseed shipments.

**Fruits.**—Exports of U.S. fresh and processed fruits are expected to be less this year than in 1957-58 because of reduced domestic supplies of many of the major export items. Both the U.S. canned fruit and dried fruit packs are lower than last year. Except for lemons, U.S. citrus supplies are expected to be relatively short this season. Although the 1958 U.S. apple crop is large, exports will be lower than last year because European apple crops are substantially larger than the short crops last season.

**Animal Products.**—Total exports of animal products are expected to be down, mainly because of a decline in exports of dairy products.

Cheese exports will be down sharply, and so will exports of dry whole milk and evaporated milk. Exports of butter were small last year and will continue small in terms of total production. In total, dairy exports are expected to be about \$144 million, compared with \$217 million last year.

U.S. exports of tallow and greases will probably be maintained, or even increased slightly, over the level of last year. Lard exports are expected to increase about 6 percent, reflecting a substantial gain in domestic supply. Meat exports are likely to remain small. Shipments of cattle hides and calf and kid skins are expected to continue at one-fourth of our production.

# TRADING POST



## Soviet Union Meat Trade Revealed by Statistics

Recently published Soviet statistics indicate that Russia was the world's second largest importer of meat and meat products during 1955 and 1956. (No later figures are available.) They also show that Communist China supplied over half of these imports.

The Soviet Union bought the equivalent of \$160 million of meat and meat products abroad in 1956 and \$179 million in 1955. During these same years, Russia also exported meat and meat products—\$25 million worth in 1956 and \$9 million in 1955. Czechoslovakia and East Germany were the major markets.

## United States May Buy More Moroccan Almonds

Morocco hopes to sell over a thousand tons (shelled basis) of sweet almonds to the United States this year. The country has a bumper 5,500-ton crop, while U.S., Portuguese, and Italian crops are all very short.

Normally Morocco is only a minor participant in the international almond market, but this year's crop is about two and a half times as large as last year's. At the same time, the major producing countries are having short crops. In the past, Europe was the main market for Moroccan almonds and the United States took only small quantities.

## U.S. Wheat May Go to Ireland

The United States may supply a larger share of Ireland's hard wheat needs in the 1958-59 season. Ireland has a smaller wheat crop than anticipated this season, and import needs may reach 9 million bushels—the largest requirement since 1952-53. About half of the 1958-59 imports will probably be Canadian Manitoba, but a

large part of the balance could come from the United States. During the 1957-58 season U.S. shipments to Ireland totaled about 675,000 bushels.

After many years of government monopoly Irish grain trade has returned to private traders, who will operate under license from the Irish Department of Agriculture.

## Switzerland Lowers Duty On Cigarettes and Cigars

The Swiss Customs Administration has liberalized the method of calculating cigarette and cigar packaging weights to the benefit of importers. This will have the effect of lowering the tariff on cigarette imports by about 10 percent.

The reduction will amount to about 4 U.S. cents a pack for popular U.S. brands of cigarettes. Importers plan to reduce local sales prices accordingly, but prices of imported brands of U.S. cigarettes will still be considerably higher than those of U.S. brands made in Switzerland.

Prices of imported cigars will be affected by the duty change to a lesser degree.

## U.S. Meat Imports Continue To Rise

U.S. purchases of meat from abroad, which increased sharply during the second half of 1957, have continued upward during 1958 and are expected to set a record by the end of the year. Imports during the first 6 months of 1958 were double those of the same period of 1957. By volume, beef and veal purchases showed the greatest increase but pork, lamb, and mutton increased substantially.

Continuing high prices and lowered production in the United States are the principal reasons why U.S. purchases from abroad have been rising.

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### **U.S. Sending Less Lard to Canada**

U.S. lard exports to Canada were down 74 percent in the first half of 1958 from the same period a year earlier. Canada's increased slaughter during this period was partly responsible for the drop in purchases from the United States. Local lard production was up 18 percent and tallow, 7 percent.

### **Yugoslavia Selling Record Tobacco Crop**

Yugoslavia, with a record 1957 tobacco crop, has upped its 1958 exports substantially. Shipments during the first half of this year were 65 percent above the comparable period last year and nearly equal to the total for all of 1957.

Yugoslavia grows mostly oriental and semioriental tobaccos, which are in demand in Eastern Europe and the Soviet Bloc countries. Communist China, which took no tobacco from Yugoslavia last year, bought nearly 3 million pounds during January-June 1958. And East Germany, with 1957 purchases of less than a million pounds, bought nearly 5 million in the first half of this year.

### **Malaya Buying Rice From Communist China**

Malaya has bought 36,000 long tons of short-grain rice from Communist China since September. High prices in Malaya's traditional supplying countries—particularly Thailand and Burma—are believed to be the reason.

Both Thailand and Burma had short crops last season. Thailand is short of high-grade rice, but has ample supplies of the lower grade products. Prices in both countries, however, are higher than those of Red China.

### **West Germany Continues To Buy U.S. Variety Meats**

West Germany is expected to continue as a good market for U.S. frozen hog livers and kidneys. Although prices are relatively high, U.S. products face practically no competition in Germany. Denmark, the major European producer, ships mainly to the United Kingdom.

Last year West Germany's pork production reached a peak, which resulted in import restrictions and internal price problems, but lowered output is forecast for 1959 and the rest of 1958. Germany has announced it will import 34,400 tons of variety meats during the current fiscal year.

### **Finland Trades Butter For Russian Wheat**

Under a recent barter agreement Russia will exchange 100,000 metric tons of wheat for 26.4 million pounds of Finnish butter. Half of the wheat is scheduled for delivery to Finland by January 1, 1959 and some has been shipped already. All the butter is slated for shipment to Russia by June 1959. In September, deliveries were slightly ahead of schedule.

Finland signed the barter deal with the Soviet Union soon after the United Kingdom began restricting Finnish butter imports.

### **New Zealand Exploring West Indies for Markets**

New Zealand is sending a trade mission to the West Indies as part of a drive to secure overseas markets for its products. It is also opening a trade post in Trinidad to exploit the growing trade potential of the West Indies and South America. This post will serve Trinidad, Jamaica, Barbados, and probably some South American countries.

New Zealand's trade with the Caribbean area totaled around \$8 million in 1957 in contrast to U.S. trade in the area, which was over \$150 million.